

3 September 2021

ASX Announcement

ATI Australia Pty Ltd to become 100% subsidiary of Mayfield Group Holdings Limited

Mayfield Group Holdings Limited (**Mayfield**) is pleased to announce that it has reached a conditional agreement to acquire the remaining 60% interest in ATI Australia Pty Ltd (**ATI**). On completion, ATI will become a 100% subsidiary of Mayfield.

About ATI

ATI is a telecommunication system provider with engineering capability in network and ancillary systems design. Founded in 1991, the company is headquartered in Sydney, and provides the following services:

- Design, installation and support of custom-built, predominantly wireless, enterprise telecommunications systems.
- Telecommunication systems integration.
- Hardware distribution of network and support system products to system integrators.
- Solar and battery power systems for telecommunications.
- Design, deployment and support, including remote battery management systems.

ATI holds a telecommunications carrier license, enabling the provision of public access services when required.

ATI is 60% owned by the family companies associated with the current senior executives of ATI, Peter Choquenot and Arawa Driscoll, and 40% by Mayfield.

For the year ended 30 June 2021, ATI recorded an unaudited NPAT of \$1.068m.

Acquisition terms

The material terms of the offer are as follows:

1. The vendors, Lochani Pty Ltd (Peter Choquenot) and Dhoo-Gunya Pty Ltd (Arawa Driscoll) (**Vendors**), will sell the whole of their 60% interest in ATI to Mayfield.
2. The consideration payable for the 60% interest is \$1.952 million, subject to an audit of the FY21 results (**Consideration**).
3. The Consideration is payable wholly by the issue of Mayfield fully paid ordinary shares at 40.63c per share (**Consideration Shares**).
4. The acquisition is expected to be completed on or before 31 October 2021 (**Completion Date**).
5. The Consideration Shares will be issued on the Completion Date.
6. An additional earnout payment will be made to the Vendors in relation to the years ended 30 June 2022 and 2023 in the event that the revenue of ATI in those years is greater than the revenue for the year ended 30 June 2021. The amount of the earnout payment will be limited to \$60,000 in each year, payable in cash.
7. The offer is conditional on minor amendments being made to the lease agreement for ATI's Sydney property.

8. Each of the Vendors will continue to be employed by ATI on employment contracts, the terms of which are in accordance with market practice for a company the size of ATI and the industry in which it is involved.

Mr Jon Hobbs, the Managing Director of Mayfield stated:

"We are delighted to be able to move to 100% of ATI and also to have Peter Choquenot and Arawa Driscoll commit to staying with ATI.

ATI is a long-established company with a strong reputation in its field. Having been a 40% shareholder of ATI for several years, we are confident in the future of the company.

ATI is an engineering-led business in wireless telecommunication systems and sees us increasing our investment in the trend in digitisation of electrical infrastructure and the data-communication associated. There are also synergies in this acquisition relating to services and manufacturing capability across the Group

This announcement is authorised by the Managing Director of Mayfield, Jon Hobbs.

Further Information:

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